

# Quarterly Industry Update

As of March 31, 2017

Industry: Electronic Payments



## Industry Summary

Cogent Valuation identified Electronic Payments publicly traded companies, IPOs, and recent M&A transactions within the Electronic Payments industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since March 31, 2016, the median 52-week share price return of the Electronic Payments industry was 15.4%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple increased from 15.5 to 17.5. Furthermore, the median price-to-earnings multiple increased from 26.0 to 30.3 over the same period.

## Comparable Public Company Key Statistics

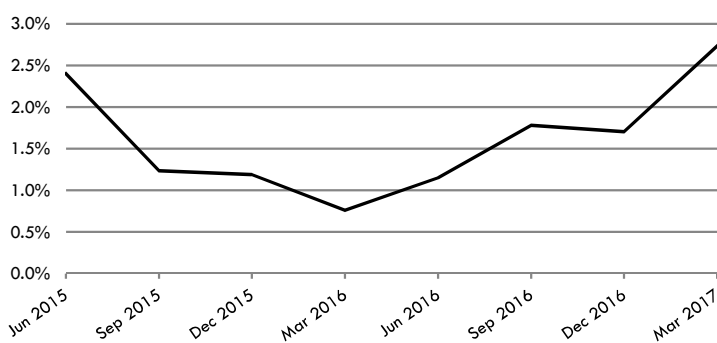
Median 52-Week Return	15.4%	Median EV/Revenue Multiple	3.1x	Median Price/Earnings Multiple	30.3x
Median 3-Year CAGR Return	13.2%	Median EV/EBITDA Multiple	17.5x	Median EV/Gross CF Multiple	24.6x

## Comparable Public Company Market Price Returns As of March 31, 2017

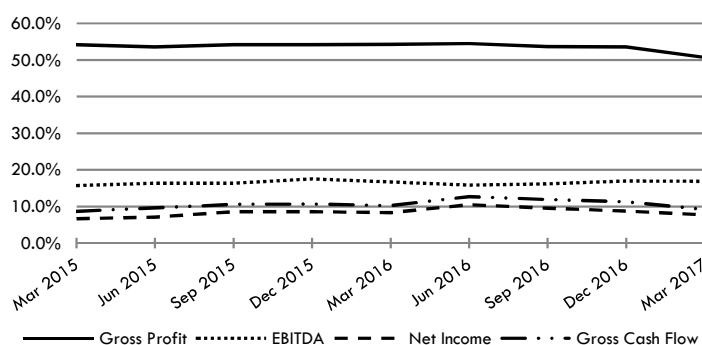
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
ACI Worldwide, Inc.	17.9%	17.9%	2.9%	-0.6%	2.7%	9.8%	-15.2%	6.1%	-6.9%	48.8%	52.5%
Bottomline Technologies (de), Inc.	-5.5%	-5.5%	-22.4%	-7.0%	-12.4%	-3.3%	-15.8%	17.6%	-30.1%	37.0%	13.9%
CSG Systems International, Inc.	-21.9%	-21.9%	-16.3%	11.5%	13.2%	20.1%	34.5%	43.5%	-14.7%	61.7%	23.6%
Euronet Worldwide, Inc.	18.1%	18.1%	15.4%	20.7%	27.2%	32.6%	0.0%	31.9%	14.7%	102.8%	27.7%
Global Payments Inc.	16.2%	16.2%	23.6%	32.7%	31.4%	27.7%	7.6%	59.8%	24.2%	43.5%	-4.4%
Mastercard Incorporated	8.9%	8.9%	19.0%	14.1%	14.6%	21.7%	6.0%	13.0%	3.1%	70.1%	31.8%
MoneyGram International, Inc.	42.3%	42.3%	174.7%	39.5%	-1.6%	-1.4%	88.4%	-31.0%	-56.3%	56.4%	-25.1%
Newtek Business Services Corp.	6.8%	6.8%	35.8%	1.4%	5.6%	17.4%	11.0%	-3.0%	-6.0%	68.8%	61.7%
Total System Services, Inc.	9.0%	9.0%	12.4%	18.4%	20.7%	18.3%	-1.5%	46.6%	2.0%	55.4%	9.5%
USA Technologies, Inc.	-1.2%	-1.2%	-2.5%	24.3%	27.1%	27.1%	39.6%	91.3%	-11.0%	4.0%	55.4%
VeriFone Systems, Inc.	5.6%	5.6%	-33.7%	-26.7%	-17.9%	-18.4%	-36.7%	-24.7%	38.7%	-9.6%	-16.4%
Visa Inc.	13.9%	13.9%	16.2%	16.6%	18.1%	24.7%	0.6%	18.3%	17.7%	46.9%	49.3%
WEX Inc.	-7.3%	-7.3%	24.2%	-1.8%	2.9%	9.8%	26.2%	-10.6%	-0.1%	31.4%	38.9%
<b>Median of Industry Public Companies</b>	<b>8.9%</b>	<b>8.9%</b>	<b>15.4%</b>	<b>14.1%</b>	<b>13.2%</b>	<b>18.3%</b>	<b>6.0%</b>	<b>17.6%</b>	<b>-0.1%</b>	<b>48.8%</b>	<b>27.7%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Electronic Payments Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Electronic Payments Industry

Date:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	2.8x	3.0x	3.2x	3.5x	3.5x	2.8x	3.0x	2.9x	3.1x
EV/EBITDA Multiple	15.5x	16.6x	15.0x	15.8x	15.5x	16.0x	18.6x	18.6x	17.5x
Price/Earnings Multiple	26.0x	26.3x	27.1x	28.9x	28.2x	25.9x	29.3x	27.8x	30.3x
EV/Gross Cash Flows Multiple	24.0x	25.3x	25.4x	27.4x	26.0x	21.9x	25.2x	26.3x	24.6x

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# Quarterly Industry Update

As of March 31, 2017

Industry: Electronic Payments



## Industry Initial Public Offerings (dollars in millions, except share prices)

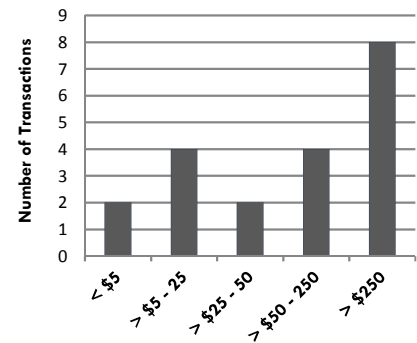
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/2/2013	Qivi plc	\$17.00	12.5	\$212.5	\$612.6	\$3.2	\$291.8	\$54.8	\$29.8	\$57.3
4/11/2013	EVERTEC, Inc.	\$20.00	25.3	\$505.3	\$977.7	\$763.8	\$341.7	\$152.6	\$77.4	\$169.0
3/21/2012	Vantiv, Inc.	\$17.00	29.4	\$500.0	\$3,489.7	\$1,801.7	\$1,622.4	\$435.9	\$36.2	\$467.6
6/16/2010	Higher One Holdings, Inc.	\$12.00	9.0	\$108.0	\$66.7	\$18.5	\$95.9	\$34.7	\$18.4	\$35.7
3/18/2008	Visa Inc.	\$44.00	406.0	\$17,864.0	\$27,742.0	\$115.0	\$5,836.1	\$2,570.7	(\$672.5)	\$2,655.7
5/24/2006	Mastercard Incorporated	\$39.00	61.5	\$2,399.3	\$3,711.0	\$229.6	\$3,017.8	\$608.2	\$300.2	\$653.0
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$502.6</b>	<b>\$2,233.7</b>	<b>\$172.3</b>	<b>\$982.1</b>	<b>\$294.2</b>	<b>\$33.0</b>	<b>\$318.3</b>

nm: not meaningful, N/A: not applicable

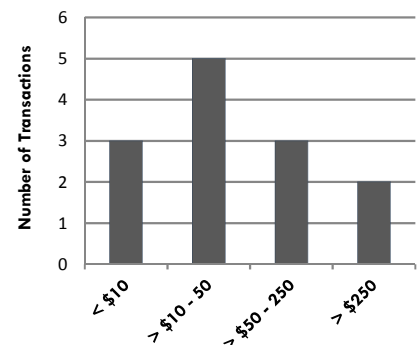
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
2/1/2017	VersaPay	BluePay Canada ULC	\$8.2	100%	N/A	N/A
1/6/2017	DirectCash Payments Inc.	Cardtronics Holdings Ltd.	\$480.1	100%	\$215.6	2.1x
12/23/2016	PayByPhone Technologies	Volkswagen Financial	\$32.5	100%	N/A	N/A
12/23/2016	International Payment	H and R Group Limited	\$20.4	51%	\$28.2	1.2x
12/21/2016	Moneris Solutions, Inc.	NPC Group, Inc.	\$425.0	100%	N/A	N/A
12/16/2016	Setefi S.p.A.	Mercury UK Holdco	\$1,191.5	100%	N/A	N/A
9/29/2016	Payment Software Company	NCC Group plc	\$18.8	100%	\$9.5	2.0x
4/22/2016	Heartland Payment Systems,	Global Payments Inc.	\$4,449.0	100%	\$2,588.4	1.7x
10/30/2015	Track Concepts B.V.	Crowd Mobile Limited	\$30.7	100%	\$17.6	1.8x
8/10/2015	Skrill Holdings Limited	Netinvest Limited (nka:Paysafe)	\$1,760.3	100%	N/A	N/A
7/11/2014	PNI Digital Media	Staples, Inc.	\$68.5	100%	\$21.6	2.9x
6/13/2014	Mercury Payment Systems	NPC Group, Inc.	\$1,650.0	100%	\$237.0	7.0x
7/26/2013	PayDivvy, Inc.	Higher One Holdings, Inc.	\$0.1	100%	N/A	N/A
3/26/2013	Ingenico e-Commerce	Ingenico Group	\$534.8	100%	\$56.6	9.5x
3/10/2013	Direção Processamento	Linx Sistemas E Consultoria	\$13.5	100%	\$8.5	1.6x
2/8/2013	paysafecard.com	Skrill Holdings Limited	\$174.1	100%	N/A	N/A
1/10/2013	LML Payment Systems Inc.	Digital River Inc.	\$102.4	100%	\$34.6	2.1x
12/31/2012	Parallel Solutions Inc.	Spindle, Inc.	\$1.6	100%	\$1.0	0.0x
11/30/2012	Litle & Co. LLC	NPC Group, Inc.	\$361.0	100%	\$285.0	1.3x
10/2/2012	FCTI, Inc.	Seven Bank Ltd.	\$131.1	100%	\$42.0	3.1x
<b>Median of the 20 M&amp;A Transaction Targets</b>			<b>\$116.7</b>	<b>100%</b>	<b>\$34.6</b>	<b>2.0x</b>

Size of M&A Transactions



LTM Revenues Reported



### Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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